



iversity builds character in institutions as much as individuals, and the National Endowment for the Arts' difficulties of 1996 have greatly enhanced the character of this agency. We began with a 40 percent budget cut which necessitated staff reductions and the number and size of grant awards to arts organizations. Our grantmaking programs and categories also needed to be re-organized and streamlined. In the fall of 1995, we set about making sweeping changes, including:

- Reducing the number of separate programs from 17 to four divisions: Heritage & Preservation, Education & Access, Creation & Presentation, Planning & Stabilization. Our long-established Partnerships with state arts agencies were maintained, and the agreements strengthened so that Federal/State dollars have the maximum reach.
- Instituting Leadership Initiatives to give the agency the flexibility to respond to needs that have national or fieldwide ramifications.
- Adding another level of review for applications through Combined Arts Panels in the four divisions.
- By legislative mandate, eliminating grants to individuals with the exception of Creative Writing Fellowships, the National Heritage Awards, and the American Jazz Master Awards.
- Revising the application process, also by legislative mandate, so that organizations apply for specific project support rather than seasonal or general operating support. Applicants were also limited to one proposal on their own behalf and as part of a consortium. In the past, applications could be made to any or all of the various programs.

These are revolutionary and far-ranging alterations to the way we have done business in the past. Over the course of its history, the Endowment functioned as a more compartmentalized grantmaking body with the discrete programs awarded grants within budgets allocated for specific disciplines. All symphony orchestras, for example, competed one against the other for a set number of dollars. Under the new structure, a project by a symphony orchestra may compete against one by a dance company or literary magazine for funding through one of the four divisions.

The advantages of such a structure go beyond ensuring that all organizations have an equitable opportunity for funding. The new structure is more rigorous, and many excellent projects had to go unfunded because of limited funds. Furthermore, the structure reflects more accurately the cross-fertilization of one arts discipline with another. Contemporary art often marries genres — poetry and song, digital art with film, design and drama. One of

the outcomes that we hope for is collaboration among arts organizations, not only for fiduciary reasons, but for aesthetic growth and experimentation.

With fewer dollars, we must become more resourceful. By confining applicants to a single proposal, we immediately reduced the number of applications to the point where our reduced staff could manage the workload. There is no question that we will be making fewer awards than in years past, yet the system is flexible and targeted so that we will continue to

have a lasting impact across all of the arts disciplines. Out of difficult circumstances, we have refashioned the Endowment to be responsive to the needs of the nation's arts organizations and arts audiences.

1996 is best seen as a transitional year. This Annual Report does not reflect the shift from the programs to the four divisions. Those applications already in the pipeline were adjudicated by our panels and the National Council on the Arts, and within our budgetary constraints. Grants awarded in 1996 were made through the former programs, simply because of the nature of our review process. Changes mandated by Congress — elimination of grants to individuals and funding for specific project support rather than seasonal or general operating support — were in effect. The new grantmaking structure will be reflected in the report for Fiscal Year 1997. (The Federal government's fiscal year begins on October 1 of each calendar year.)

While grantmaking continues to be our primary means of supporting the arts, in 1996 the National Endowment for the Arts began several endeavors to leverage additional funds for the arts and to assist communities in finding better ways to support local culture. Primary among these was our American Canvas initiative.



**Chairman
Jane
Alexander.**

Photo by Marion Ettlinger



White House photo

**President Clinton
and the First Lady
present the
National Medal
of Arts to
Robert Redford.
See page 24
for a full list.**

Comprised of a series of six community-based meetings across the country, American Canvas brought together the arts community with civic, business, religious, government, education and community representatives to discuss topics designed to elicit concrete suggestions for the most pressing problem facing the arts today: in an era of dwindling public resources, how might communities best support the arts at a local level? Our itinerary took us to Columbus, Ohio, Rock Hill, South Carolina/Charlotte, North Carolina, Salt Lake City, Utah, San Antonio, Texas, Los Angeles, California and Miami, Florida. Hundreds of people in each of these cities turned out

to document how the arts support communities, identify new funding models, and develop new collaborative funding strategies.

American Canvas continues in 1997 with a meeting of 100 nationally recognized leaders from all sectors of society to analyze the information at the community forums and recommend strategies to better integrate the arts in communities. In 1997, the Endowment will publish an Action Plan to help communities — from rural areas to urban neighborhoods — create their own strategies in developing a funding infrastructure that will make the arts a permanent part of people's daily lives.

Another initiative begun in 1996 was Open Studio, a two-tier project that will bring free public Internet access at arts organizations in all 50 states and establish a mentoring program at 10 sites for artists and arts organizations to develop and maintain World Wide Web sites. A partnership with the Benton Foundation, Open Studio is intended to help artists, arts organizations, and audiences more fully participate in the creative side of technology.

Partnerships continue to be another means of extending the reach of the Arts Endowment. Throughout our history, we have awarded funds to the 56 state and special jurisdiction arts agencies, which in turn make grants at the statewide level. Through this mechanism, public funding for the arts goes into tens of thousands of communities, reaching virtually everyone with even minimal interest in the arts. We are particularly proud of our partnerships


with the states for providing quality arts education programs through America. Since I became Chairman in 1993, we have put special emphasis on partnerships with other Federal agencies, and I am proud to say that in 1996, we had over 30 such collaborations.

One of the more cost effective ways the Endowment reaches out to the American people is through our World Wide Web site, which contains information about the agency, links to other funding resources, listings of free publications, and a monthly online magazine called arts.community. Established in April, 1996, the Web site at <http://arts.endow.gov> drew over one million hits in its first seven months and averages about 2,000 different visitors each week.

Another area of leadership that only the Federal government undertakes is in arts research. In 1996, we issued several research reports with data drawn from the Census Bureau and other national surveys. Two of the most important facts that emerged: the rate of participation in the arts among baby boomers is declining, and while there are more artists than ever before, they still cannot support themselves, on average, through their art alone. These two trends buttress the findings of American Canvas; all indications are that the arts have much work to do to become more fully rooted in their communities and on the national level.

Yet for all the foreboding news and our own budgetary concerns, we are optimistic. It is my hope that the arts community — and I include in that description everyone who works in the arts and all those who love and need the arts in their lives — this community will better organize itself to become a movement just as those who care for the environment have mobilized themselves in the conservation movement.

At the beginning of this century, President Theodore Roosevelt recognized the importance of conserving our natural resources as a national priority, and today, the American people are recognizing that we have a national treasure in our culture resources. The National Endowment for the Arts plays a key part in cultivating the arts in America; it is an agency of the American people, designed to foster a climate where art may flourish and all may participate in the culture we share.



Jane Alexander